

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 187 – SB 299

March 15, 2017

SUMMARY OF ORIGINAL BILL: Authorizes the Department of Transportation (TDOT) to evaluate the feasibility for a pilot project that could result in the conversion of existing high occupancy vehicle (HOV) lanes, on highways, bridges, or other transportation-related facilities constructed prior to June 28, 2007, into tollways or toll facilities.

Authorizes TDOT to impose tolls on low-emission and energy-efficient vehicles and single occupancy vehicles, but prohibits it from imposing tolls on emergency vehicles or high occupancy vehicles on such additional pilot projects. Requires all revenue collected from tolls imposed for the use of managed/toll lanes to be used solely for the maintenance, management, and enhancement of the managed/toll lane system and other purposes as provided in 23 U.S.C. § 129(a)(3).

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Based on information provided by TDOT, a previous study of the proposed pilot project was completed; therefore, the direct fiscal impact is not significant.

To the extent TDOT proceeds with any such project, there would be additional costs incurred for analysis, construction, operation, and enforcement which could be funded with a combination of federal, state, and local funds depending on the specifics of the project. In addition, and to the extent toll revenue is collected for maintenance, management, and enhancement of such system, total costs or portions thereof, may be recaptured. The General Assembly will have to approve any such project as provided within current law prior to development of the project.

SUMMARY OF AMENDMENT (004125): Deletes and rewrites the bill such that the only substantive change is to authorize placement of cameras or other technologies used to enforce violations of, and restrictions on, the use of managed/toll lanes on federal interstate highways.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Based on information provided by TDOT, a previous study of the proposed pilot project was completed; therefore, the direct fiscal impact is not significant.

To the extent TDOT proceeds with any such project, there would be additional costs incurred for analysis, construction, operation, and enforcement, including installation and operation of traffic cameras, which could be funded with a combination of federal, state, and local funds depending on the specifics of the project. In addition, and to the extent toll revenue is collected for maintenance, management, and enhancement of such system, and citations are issued for traffic violations of toll lanes, total costs or portions thereof, may be recaptured. The General Assembly will have to approve any such project as provided within current law prior to development of the project.

Assumptions for the bill as amended:

- This bill as amended will expand the types of pilot projects within the Tennessee Tollway Act to include the conversion of existing high occupancy vehicle (HOV) lanes constructed prior to June 28, 2007, into tollways or toll facilities referred to as high occupancy toll (HOT) lanes.
- Including the conversion on HOV lanes into HOT lanes within the possible pilot projects grants TDOT greater authority to advance this idea as a method to managing transportation needs within the state.
- TDOT acquired a study in 2012 which conducted a review of the existing HOV lanes for potential conversion to HOT lanes. The evaluation matrix provided a review of which existing corridor could be considered for a more in-depth study. Due to enforcement issues, it was determined at the time that no corridor was available to move forward with a specific HOV to HOT lane conversion project.
- Prior to the conversion of an HOV to HOT lane pilot project being developed the following would have to occur pursuant to Tenn. Code Ann. § 54-3-102(b):
 - The development would have to be in accordance with the department's long-range statewide transportation plan.
 - Information must be submitted to the General Assembly, either in the statewide transportation plan or by other means, outlining any specific plans, feasibility analysis and other such information as may be available that describes the proposed project, the need for the project and any other information upon which the decision of the commissioner to recommend the project was based.
 - Project approval must have been granted by the General Assembly pursuant to the express provisions of the general appropriations act or as otherwise provided by law.
- Additionally, certification requirements of the Federal Highway Administration would need to be met regarding possible degrading of HOV lanes caused by higher utilization

occurring from toll paid vehicles, as well as future state legislation authorizing specific enforcement methods within the newly converted HOT lanes.

- Based on the previously conducted study, TDOT will not incur any additional expenditures solely based on the passage of the bill as amended.
- To the extent TDOT decides to pursue an HOV to HOT conversion project, additional expenditures will be incurred associated with feasibility analysis, construction, operation, and enforcement. Due to multiple unknown factors which are dependent upon the specifics of any such project, the additional one-time and recurring costs, which could be funded with a combination of state, federal, and local funds, cannot be reasonably determined at this time but would be approved by the General Assembly prior to proceeding with the project within the requirements mentioned above.
- Pursuant to the provisions of the bill as amended, all revenue collected from tolls must be used solely for the maintenance, management, and enhancement of the managed/toll lane system and other purposes as provided in 23 U.S.C. § 129(a)(3). As a result, one-time construction costs and recurring operational costs, or portions thereof, may be recaptured.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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